



AEROSPACE & DEFENSE

MARKET EXPRESS

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February 2001

UPCOMING EVENTS

AAAE – American Association of Airport Executives (Rio de Janeiro, Brazil) March 7-9, 2001

Latin American U.S. Airport Best Practices Conference and Trade Show will focus on the safety, security infrastructure and financial performance challenges facing airport officials in the U.S. and Latin America. The conference will offer valuable networking opportunities for U.S. and Latin American airport and aviation officials to discuss management and operational challenges facing the airport management profession in Latin America and the U.S. Officials from U.S. airport and aviation companies, as well as Latin American airport and aviation executives, government officials and consultants involved in any aspect of aviation are expected to attend. To register on line for this event, visit www.airportnet.org/depts/meetings/calendar/calpub.htm.

Aero Safety and Maintenance (Dallas, Texas) April 3 – 5, 2001

This conference attracts top-level executives from international airlines and airports, policy makers, airworthiness authorities, equipment suppliers and researchers to discuss the latest topics on the impact of safety and operations and

what airlines need to do in order to achieve safety. Participants will have the added value of meeting their peers and colleagues, the movers and shakers of the industry, airline executives and the decision-makers in this diverse industry. For further information contact Lydia Janow at 1-800-240-7645 or 212-904-3225.

Aviation, Maritime & Defense (Manila, Philippines) April 5–8, 2001

AMD is the pioneering international trade show on air, land sea technologies covering both the commercial and defense sector. AMD remains to be the only show of its kind in the Philippines. For further information, contact Leigh Rein at 201-251-2600.

Latin America Defense Show – LAD 2001 (Rio de Janeiro, Brazil) April 24-27

LAD is the largest event for the defense industry in Brazil. It is completely dedicated to the defense industry sector in South America, sponsored by the Brazilian Ministry of Defense, Ministry of Foreign Affairs and Army Forces. The entire spectrum of the service defense industry will exhibit at this show, including producers and suppliers of equipment and services, Armed forces organizations, consultants, procurement entities, media. You can visit their website at www.reedexpo.br/feiras.

Inter Airport Asia 2001 (Singapore) April 25-27, 2001

As the Asian economy rallies, the opportunities to tap into the healthy recovery are prolific. Singapore continues to act as the gateway to ASEAN and is prepared to address all of the aerospace industry demands. Inter Airport Asia will provide you with the opportunity to market your products/services at this trade show. The U.S. International Pavilion has a number of amenities, including an exhibitors' lounge, free listing in the U.S. International Pavilion catalog, shared interpreter service, on-site support, and advice

on shipping, local transportation, business customs. For additional information, contact Kallman Worldwide, Inc. at 201-251-2600 or e-mail: info@kallman.com.

2001 Paris Air Show (Paris, France) June 17-24, 2001

The 44th Paris Air Show, the aerospace world's foremost event, will be held at Le Bourget outside of Paris from June 17-24. In 1999, the Paris Air Show drew nearly 105,000 registered trade visitors representing 149 countries. Exhibitors from 41 countries were at Le Bourget showcasing their latest products. Clearly, the Paris Air Show is a place where "the world of aerospace comes together." As in previous years, the Commercial Service will offer the Aerospace Executive Service (AES) program at the Paris Air Show. Appointments with French firms, and possibly firms from other European countries as well, will be set up for participants which will enable small-to medium-sized companies to take advantage of pre-arranged appointments with key aerospace industry contacts whether exhibiting at the show or not. The AES is a collaboration between the American Embassy in Paris and the Commercial Service Aerospace and Defense Technology Team. This option is designed for American companies requiring targeted, pre-arranged appointments during the show and will take place June 18-21, the busiest days of show visitors to the U.S. exhibits. This air show offers an exceptional marketing opportunity for all segments of the aerospace industry. Please contact Kelly.Bergren@mail.doc.gov for additional information.

TATE 2001 (Taipei) August 16-19, 2001

The 6th Taipei Aerospace Technology Exhibition (TATE) is a platform for technology transfer and joint ventures in aerospace manufacturing, aircraft maintenance, and services. It is also a unique forum for reaching and interacting with airport authorities and key military and civilian personnel. Specific sectors targeted are aircraft components and parts, ground equipment, engines, control and navigation equipment, airport equipment, ground and air traffic control, satellites, defense equipment and technology, aircraft services and maintenance. TATE '99 welcomed 6,300 trade visitors from 20 countries, and 37 international aerospace exhibitors from nine countries, as well as 38 Taiwanese exhibitors. Contact Mary Ellen Guerrlich at 203-840-3542 or mguerrlich@reedexpo.com.

NEWS FROM AROUND THE WORLD

Britain Joins the Joint Strike Fighter (JSF) Program

The U.S. and the U.K. have signed a Memorandum of Understanding to cooperate in the next phase of the JSF Development Program. Britain is expected to purchase 150 of the 2,800 JSF aircraft which are the subject of competition between Boeing and Lockheed Martin.

British Air Traffic Control Privatization Progress

The list of bidders for the National Air Traffic Service (NATS) closed on February 1, with last minute changes in two of the three consortia. Lockheed Martin's Novares consortium has lost its private equity partner, Apax. Serco's Nimbus consortium has lost its principal financial backer, PPM Venture, but gained the backing of the European aerospace company, EADS, as a 10% stockholder. The third contender, the Airline Group, a consortium of airlines led by British Airways, is unchanged. The bidders are all strong technical and financial players in defense and aerospace, with management skills that are relevant to running a national air traffic control system. The winner will be in an excellent position to bid for future European air traffic control privatizations which are expected to occur in the coming decade. The proposed privatization values NATS at around \$2.4 billion, which includes \$500 million in government debt.

Manchester International Airport

As a result of 10 years of planning and construction, a second 3040 meter runway at Manchester International opened on February 5, paving the way for an all-out push by Manchester, which is currently Britain's third-busiest airport, to take over from Gatwick as Britain's second airport in terms of aircraft movements and passengers handled. The airport is equipped to service its predicted capacity of 40 million passengers by the year 2015.

Brazil – Embraer

Embraer announced plans to compete with Boeing and others in the lower end of the big jet market. Emboldened by its success with regional jets, Embraer is now preparing to move into the bottom end of the full-size market. In a move that will for the first time place it in direct competition with Boeing and Airbus, the two giants of the industry, Embraer is developing 98- and 108-seat versions of its regional jet. (IMI 02/07/2001)

Chile – Green Light Given to Purchase Jets Made in USA

Chile's Air Force received government approval to purchase 10 new F-16 fighter jets from the United States in a US\$600 million deal. The Chilean Air Force has been waiting for over four years for government authorization to replace its fleet of A-16 Dragonfly jets which are nearing the end of their useful life. "This welcome announcement is another notable example of the strength and depth of our dynamic bilateral relations, and complements the current negotiations to the highest degree in terms of mutual political, economic, commercial and strategic interest," U.S. Ambassador to Chile, John O'Leary, said.

China – The U.S. Trade Development Agency

(TDA) has lifted suspension of TDA activities in China. Prior to its suspension in 1990, TDA had obligated about \$24 million to projects in China, generating over \$1.4 billion in U.S. exports to date and contributing to China's development. TDA hopes to move swiftly to sign a framework agreement with MOFTEC and identify its first set of new projects in several sectors, including aviation safety. For additional information visit TDA's website at www.tda.gov.

Czech Republic – Waiver for Tariffs on U.S. Aircraft

After nearly four years of negotiations, a joint effort by the U.S. Embassy Prague's Country Team, including the Commercial Service, has led to a decision by the Czech government to waive tariffs on U.S. commercial aircraft and related parts. This waiver was approved by the Czech government on 12/04/2000. (IMI 12/21/2000)

China- Trade with China Section

Want to know what's going on with the aerospace industry in China? Check out our "[Trade with China](http://www.oceac.com/Aerospace/Aero_China)" section(www.oceac.com/Aerospace/Aero_China). There you will find Chinese news items, press releases and market research. The information is sent directly to us from our Commercial Service staff in China.

TRADE OPPORTUNITIES

Czech Republic – Tender for Supersonic Jets Issued

On January 10, the Czech Government issued a tender to buy 24-36 new supersonic fighter jets which are needed to replace the aging fleet of Soviet-made

MIG-21s. The government will evaluate bids on the basis of proposed price, financing, military criteria and the amount of involved offset programs. Bids must be submitted by the end of May, and the decision will be made in October 2001. (IMI 01/24/2001)

France – Announcement of New Airport for the Paris Region

Air Traffic for the Paris/Ile-de-France region has increased considerably over the past few years. According to Aeroports de Paris (ADP), the operating "authority" for airports in the Paris area, air traffic in 1999 for Orly and Roissy-Charles de Gaulle totaled over 708,000 flights, handling 69 million passengers and 1,361,000 tons of freight and mail. In late October, Prime Minister Lionel Jospin announced plans for the construction of a third international airport in the Paris area. The site for the third international airport has yet to be selected, although several sites are being considered. The U.S. Commercial Service at the U.S. Embassy in Paris will be following this issue closely and monitoring business opportunities for U.S. firms interested in being suppliers for the new airport. (IMI 01/20/2001)

Hong Kong – Replacement of Primary Surveillance Radar

The Civil Aviation Department of the Hong Kong Special Administrative Region Government is looking to purchase a new Primary Surveillance Radar to replace the existing one on Mount Parker which has been in service for over 20 years. It is estimated that the radar will cost approximately \$13 million. With the approval of funding, invitations for tender are expected to be announced by mid-2001 through the Government Supplies Department. (IMI 02/06/2001)

Taiwan – Expansion of Kaohsiung International Airport Under Review

The Council for Economic Planning and Development is studying a plan to lengthen the main runway at the Kaohsiung International Airport to attract cargo traffic and enhance Kaohsiung's competitiveness as a regional logistics hub. A long-term plan to build a new international airport in southern Taiwan is also under review. (IMI 02/06/2001)

Ukraine – Air Navigation System Upgrading Project, Sales Opportunity

The Ukrainian State Air Traffic Service Enterprise has received a \$23 million loan from the European Bank for Reconstruction and Development (EBRD) for the Ukrainian Air Navigation Systems Upgrading Project. Tender closing is March 20, 2001. To learn more about this opportunity, see IMI 01/27/2001.

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| <input type="checkbox"/> Bulgaria | <u>New Trade Leads</u>
Construction of new runway system and related works at Sofia airport 11/29/00 |
| <input type="checkbox"/> Canada | Spare parts to support "Collins" avionics suite packages 02/13/01 |
| <input type="checkbox"/> Greece | Unmanned aerial vehicles 10/11/00 |
| <input type="checkbox"/> Hong Kong | Light detection and ranging system 11/21/00 |
| <input type="checkbox"/> Nepal | Two medium-sized twin engine helicopters 02/05/01 |
| <input type="checkbox"/> Singapore | Automated people mover system at Singapore Changi Airport 12/05/00 |
| <input type="checkbox"/> Syria | Overhaul of Pratt & Whitney JT9D engine 02/01/01 |
| <input type="checkbox"/> Thailand | Supply and delivery of passenger step 01/29/01 |

NEW International Market Insight Reports

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|----------------------------------|--|
| <input type="checkbox"/> Brazil | <u>National Institute for Space Research will New Partnerships to Launch Satellites,</u>
12/22/2000 |
| <input type="checkbox"/> Brazil | <u>An Overview of the Airport Sector,</u>
02/02/2001 |
| <input type="checkbox"/> Ireland | <u>Airport Development Opportunities,</u>
09/22/2000 |

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|---------------------------------|--|
| <input type="checkbox"/> Sweden | <u>The AGES Group Expands Sale of Boeing Aircraft Parts,</u>
01/11/2001 |
| <input type="checkbox"/> Taiwan | <u>Expansion of Kaohsiung Int'l Airport Under Review,</u>
02/06/2001 |
| <input type="checkbox"/> UAE | <u>A Possible Third Airline?,</u>
01/22/2001 |

NEW Industry Sector Analyses Reports

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| <input type="checkbox"/> Austria | <u>Defense Industry in Austria,</u>
02/13/2001 |
| <input type="checkbox"/> Egypt | <u>Defense Diversification Opportunities,</u>
01/01/2001 |
| <input type="checkbox"/> Norway | <u>Airport Development Opportunities,</u>
08/01/2000 |
| <input type="checkbox"/> Norway | <u>Defense Industry Update—Defense Industry Opportunities,</u>
01/31/2001 |
| <input type="checkbox"/> Pakistan | <u>Aviation Services,</u>
10/01/2000 |
| <input type="checkbox"/> Taiwan | <u>Diversification and Defense Opportunities,</u>
12/01/2000 |
| <input type="checkbox"/> Thailand | <u>Defense Electronics,</u>
09/01/2000 |

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